



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

A-2

The following item was called up for consideration from the agenda of items continued from previous meetings for further discussion and action by the Board:

Report from the Chief Administrative Officer regarding the current status of the State Budget activities for Fiscal Year 2003-04; and consideration and approval of appropriate actions to support or oppose all or portions of any State Budget package for Fiscal Year 2003-04 under consideration by the Legislature and the Governor, as requested by the Board.

Sharon Harper, Chief Deputy Administrative Officer, made a presentation on the California State Association of Counties' (CSAC) Alternative Budget Proposal to the Governor's 2004-05 Budget, as further detailed in the attached report dated April 2004. After discussion, no action was taken.

01020304-A-2

Attachment

April 13, 2004

CSAC's Alternative Budget Proposal 2004-05

In her analysis of the Governor's 2004-05 budget, Legislative Analyst Elizabeth Hill rejects the Governor's ERAF shift proposal, in part declaring: "This proposal raises questions concerning the state's role regarding property tax. In our view, the Legislature should use its authority over this tax for the overall betterment of local government, not as a state rainy day fund. We recommend the Legislature reject this proposal."

Ms. Hill went on to propose, however, that if the Legislature did pursue reductions to local government, it do so using an alternative approach. The CSAC Budget Work Group has taken the approach proposed by Ms. Hill and modified it to create the following proposal:

CSAC Alternative Budget Proposal

The CSAC Budget Work Group rejects the premise that cuts must be permanent and instead fashioned a one-year solution. We also reject the premise that cuts to local governments must total \$1.3 billion. In part, we await additional information regarding the actual cost of last year's VLF "gap" payments. Thus, we propose the following \$816 million in one-time local government solutions, taken either as a one-time cut or loan:

Counties	\$200 million (source to be determined)
Cities	\$200 million (source to be determined)
Special Districts	\$200 million (source to be determined)
Redevelopment Agencies	\$200 million (source to be determined)
Public Libraries	\$16 million (Public Library Fund)

To attain maximum flexibility at the local level, the local share could be paid by each local government agency to the state as a grant without regard to a local revenue source.

Additional Elements

Program Efficiencies: CSAC and counties will actively participate in the Governor's California Performance Review by proposing cost savings and efficiencies to state-county programs. Proposals from all counties are encouraged.

Local Taxpayer and Public Safety Protection Act Initiative: The CSAC alternative proposal will be accompanied by a request for support of the local government sponsored 2004 Local Taxpayers and Public Safety Protection Act.

Total Cost Package: The CSAC alternative proposal reflects the complete package of cuts available from local government. In other words, CSAC opposes any additional local government cuts, revenue transfers and costs shifts.

Multi-year Alternative: CSAC is prepared to discuss a multi-year state budget proposal.

###